

Minutes of the meeting held on March 6, 2023

Present: Francis Murphy – Chair, Michael Gardner, John Shinkwin, Joseph McCann, Ellen Philbin, James Quirk, and Chris Burns.

Arrived Late: Nadia Chamblin-Foster (Not present for agenda item #1)

The meeting was called to order at 11:00 AM. The meeting was digitally recorded. This was a hybrid meeting, held in-person in the Sheila Tobin Conference Room at 125 CambridgePark Drive, with some participants joining via Webex videoconference.

Agenda Item #1 – Minutes

Motion by McCann, seconded by Shinkwin to accept the regular minutes of the meeting held on February 6, 2023. The motion carried on a 4-0 voted with Chamblin-Foster absent.

Motion by Shinkwin, seconded by Gardner to accept the executive session minutes of the meeting held on February 6, 2023. The motion carried on a 4-0 voted with Chamblin-Foster absent.

Agenda Item #2 - Warrants

Motion by Shinkwin, seconded by McCann to accept payment of Warrant #4 in the amount of \$9,498,780.68 and Warrant #5 in the amount of \$774,717.08. Voted unanimously. Gardner noted that in the last two months, his direct deposits appeared to be credited on the last Friday of the month. The Director clarified that the system's policy is to make all retiree payments on the last business day of each month, although some banks will credit payments earlier than that.

Agenda Item #3 – Superannuations

Motion by Chamblin-Foster, seconded by Shinkwin to accept the Superannuation retirement applications submitted by Diane Bruno, Administrative Coordinator, Cambridge Health Alliance with thirty-four years, eleven months; Mary Horgan, Administrative Project Assistant, City Council Office with forty years, seven months; Arthur Moy, Firefighter with twenty-one years, six months; Walter Pennell, Commercial Assessor, Assessing Dept. with ten years, one month; Patrick Quirke, Surgical Technician, Cambridge Health Alliance with twenty-five years, eleven months; David Smith, Working Foreperson, Dept. of Public Works with thirty-four years, three months. Voted unanimously.

Agenda Item #4 - Make-ups/Redeposits/Liability

The Board reviewed make-up and redeposit worksheets for three members.

Motion by McCann, seconded by Shinkwin to allow the make-up of deductions for Jason Grimm, one year, nine months and Michael Pearson, one year, one month. Voted unanimously.

Motion by Gardner, seconded by Chamblin-Foster allow the redeposit of a refund for Kimberlee Gonsalves, three years, one month. Voted unanimously.

Agenda Item #5 – Refund Applications

The Board reviewed a list of refund applications submitted in February.

Motion by Chamblin-Foster, seconded by Shinkwin to accept seven refund applications. Voted unanimously.

The Chairman requested to adjourn the open meeting and go into executive session for the purpose of discussing disability retirement applications. The Chairman stated that the meeting would reconvene in open session the conclusion of the executive session. On a roll call, the vote was as follows:

John Shinkwin: YES

Michael Gardner: YES
Joseph McCann: YES
Francis Murphy: YES
Nadia Chamblin-Foster: YES

Agenda Item #6 – Accidental Disability Benefit – Steve Ortiz

The Board reviewed the certificate and narrative reports of three separate medical exams, the member's application, treating physician's statement and employer's statement filed in connection with Steve Ortiz' application for Accidental Disability benefits. Attorney Thomas Gibson appeared with Steve Ortiz.

Motion by Shinkwin, seconded by Chamblin-Foster to accept the majority findings of the medical panel and to grant Accidental Disability benefits to Steve Ortiz, a Firefighter. Voted unanimously.

Agenda Item #7 – Accidental Disability Application – Jay Martel

The Board reviewed the member's application, treating physician's statement and employer's statement filed in connection with Jay Martel's application for Accidental Disability benefits. Attorney Leigh Panettiere appeared with Jay Martel.

Motion by Gardner, seconded by Shinkwin to accept the application for Accidental Disability benefits filed by Jay Martel, a Lieutenant in the Fire Dept. and to request that PERAC convene a medical panel. Voted unanimously.

Agenda Item #8 – Accidental Disability Benefit – Stephen Leonard

The Board reviewed the certificate and narrative reports of three separate medical exams, the member's application, treating physician's statement and employer's statement filed in connection with Stephen Leonard's application for Accidental Disability benefits.

Motion by Shinkwin, seconded by McCann to accept the findings of the medical panel and grant Accidental Disability benefits to Stephen Leonard, a retired Deputy Fire Chief. Voted unanimously.

Agenda Item #9 – Accidental Disability Application – Howard Smith

The Board reviewed the member's application, treating physician's statement and employer's statement filed in connection with Howard Smith's application for Accidental Disability benefits. Motion by Gardner, seconded by Chamblin-Foster to accept the Accidental Disability application filed by Howard Smith and to request that PERAC convene a medical panel. Voted unanimously.

Agenda Item #10 – Board Election

The Board reviewed a draft schedule for conducting an election.

Burns stated that John Shinkwin's term will expire on July 31, 2023. He reviewed the schedule, noting that the nomination period would run between March 20, 2023 and May 5, 2023.

Motion by Gardner, seconded by McCann to appoint Chris Burns as Election Officer, to conduct the election by mail, and to approve the proposed schedule. Voted unanimously.

Agenda Item #11 – Increase to 2022 COLA

The Board reviewed correspondence from the system's actuary, PERAC Memo #29 and a spreadsheet listing prior COLA approvals.

The Chairman stated that he, McCann and Philbin met with the City Manager. The manager is prepared to support a one-time adjustment to the 2022 COLA, which would grant retirees an additional 2% increase. The increase would still be subject to the usual \$16,000 base.

Motion by McCann, seconded by Shinkwin to grant retirees an adjustment to the 2022 COLA, changing the adjustment from 3% to 5%, with a \$16,000 base. The adjustment would be retroactive to the original date of the COLA on July 1, 2022. Voted unanimously.

Agenda Item #12 – Annual Update – Bernstein Litowitz Berger & Grossman, LLP

Avi Josefson and Amanda Rekiemier represented Bernstein Litowitz Berger & Grossman, LLP.

A written report was submitted to the Board. Josefson stated that he would present an update on the firm, but that he did not intend to discuss any privileged matters and that he was comfortable with meeting in open session. BLBG is based in New York, with offices in Illinois, California, Louisiana and Delaware. Josefson discussed the types of cases handled by BLBG. The firm has access to the fund's investment portfolio, allowing them to monitor for losses that may have been the result of some type of misconduct. All cases are taken on a contingent basis. The firm takes a conservative approach to filing litigation, typically finding only 10-15% of potential cases to be meritorious. BLBG has represented investors in seven separate suits which resulted in settlements in excess of \$1 billion each. Josefson discussed a case involving Spectrum, in which Cambridge was a lead plaintiff, and resulted in a \$32 million settlement. BLBG also resolved a case involving Amneal Pharmaceuticals, again with Cambridge as lead plaintiff, and resulting in a \$25 million settlement. In another case involving Slack Technologies, Cambridge is not directly involved in the litigation but did sign on to an amicus brief. Quirk asked how many cases the firm takes to trial. Josefson stated that in 2022, the firm took four cases to trial, which was unusually high. Quirk asked about the outcome of litigation against Western Union. Josefson stated that the case was resolved at least six years ago, and offered to report back with details about the final result. Gardner asked for additional information about the amount of money recovered for Cambridge each year. Josefson confirmed that BLBG's quarterly reports do not include that information. He stated that the majority of claims would be handled by the system's custodial bank, which might be better equipped to show the amounts actually recovered. Josefson stated that BLBG conducts competitive bids to select a claims administrator in each case which results in a payout. BLBG can also assist in the claim filing process when the custodial bank is unwilling or unable to provide that service. Josefson discussed recent cases at the Supreme Court. He stated that he was concerned about the possibility that the Court could make it much more difficult to sue over the issuance of new securities. Burns asked for Josefson's take on a recent case which went to trial involving Tesla. Josefson reviewed the case, noting that Elon Musk claimed that he had secured funding to take Tesla private, which was not true. Josefson stated that BLBG has other litigation pending against Musk, involving his compensation scheme at Tesla, and another case involving his failure to disclose when he started acquiring a significant amount of Twitter stock. They were not involved in the "funding secured" case. BLBG analyzed that case as somewhat weak, as it seemed to hinge on a single, off-the-cuff statement on Twitter.

Agenda Item #13 – PERAC Memos

PERAC did not issue any new memos in February, and no action was taken by the Board.

Agenda Item #4 - Old Business

Quirk stated that PERAC has still not responded to the Board's correspondence regarding group classification for Emergency Communications Dispatchers.

Agenda Item #15 – New Business

The Board took up the request for survivor benefits from Joseph Fournier, surviving child of Camille Fournier, Administrative Assistant in the Fire Department.

Motion by Gardner, seconded by McCann to grant survivor benefits pursuant to Section 12(2)(d) to Joseph Fournier, surviving child of Camille Fournier, Administrative Assistant in the Fire Department.

Gardner asked to be reminded of the outcome of the dispute over members naming multiple beneficiaries under Option D. The Director stated that DALA had found that multiple beneficiaries were not allowed under the statute. The Board has worked to have members with multiple beneficiaries named to file new forms naming only one beneficiary. Gardner stated that

it was unfortunate that members could not name multiple beneficiaries in situations where that might be clearly preferable. He asked if the Board could work to sponsor legislation which might allow it.

Agenda Item #16 – Executive Session

Agenda Item #6 – adopted

Agenda Item #7 – adopted

Agenda Item #8 – adopted

Agenda Item #9 – adopted

Agenda Item #15 – adopted

Agenda Item #17 - Chairman's Report

The Chairman reviewed a spreadsheet he prepared comparing the COLAs granted by the Cambridge Retirement System and by Social Security. He noted that for retirees earning for than \$15,000 annually, the increases provided by Social Security, which are not capped at 3%, have been more generous than the increases provided by Cambridge. This is despite the fact that in several years, Social security has granted no COLA at all.

The Chairman stated that he has been informed by several retirees that, after submitting documentation to the City, they have received a retroactive payment for money that should have been included in their Medicare reimbursement.

The Chairman stated that, absent any action from the legislature, the waiver of the open meeting law would expire on April 1. This means that all meetings after that date will require that a quorum be physically present. The Chairman stated that he would ask that all members consider attending meetings in person. He noted that there have been several times over the last year where only two people were able to attend in person. Under the new regulation, in that situation, the meeting would have to be rescheduled. He added that if members felt that they were unable to attend regularly, they should consider resigning their seats. Chamblin-Foster asked if it would be possible to develop a schedule, which would allow one person to continue to attend remotely. Gardner stated that he would be willing to attend meetings in person if members agreed to wear masks during the meeting. He noted that he was forced to quarantine after being exposed to COVID during a meeting that he did attend in person. He added that he has no intention of resigning before the end of his term.

Agenda Item #18 – Executive Director's Report

The Director reported that annual affidavits will be mailed to all retirees this week.

Burns reported that the Retirement System will participate in cybersecurity training offered by the State Executive Office of Technology Services and Security.

The following documents were also reviewed by the Board:

- Notice of Retiree Deaths
- Bernstein Litowitz Berger & Grossman Q4 2022 Report
- Bernstein Litowitz Berger & Grossman 2023 Forum
- Manager/Vendor Disclosures: IFM Global Infrastructure Fund, Fidelity Emerging Markets Debt, Fidelity Fixed Income, Income Research & Management, PineBridge, RhumbLine EAFE Index Fund, RhumbLine Russell 1000 Index Fund, M&T Bank/Wilmington Trust

McCann moved to adjourn at 12:05 PM.